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October 20, 2005

Via e-mail

Public Information Room
Office of the Comptroller of the Currency
250 E Street, SW.
Mail Stop 1-5
Washington, D.C. 20219
Attention: 1557-0081
regs.comments@occ.treas.gov

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW.
Washington, D.C. 20551
Attention: Consolidated Reports of Condition and Income – 7100-0036
regs.comments@federalreserve.gov

Steven F. Hanft, Paperwork Clearance Officer
Room MB-3064
Federal Deposit Insurance Corporation
550 17th Street, NW.
Washington, D.C. 20429
Attention: Consolidated Reports of Condition and Income, 3064-0052
comments@FDIC.gov

Re: Proposed Agency Information Collection Activities
Joint Notice and Request for Comment – Proposed Revisions to the Consolidated Reports
of Condition and Income (Call Reports)

Wells Fargo & Company (“Wells Fargo”) appreciates the opportunity to comment on the proposed revisions to the Consolidated Reports of Condition and Income (“Call Reports”) (the “Proposal”) set forth in the joint notice and request for comment by the Office of the Comptroller of the Currency (the “OCC”), the Board of Governors of the Federal Reserve System (the

“Board”) and the Federal Deposit Insurance Corporation (the “FDIC”), (collectively, the “Agencies”). Wells Fargo is a diverse financial services company with \$453 billion in assets, providing banking, insurance, investments, mortgage and consumer finance services. At September 30, 2005, Wells Fargo was the fourth largest bank holding company, based on assets, and filed numerous regulatory reports with the Agencies, including 11 Call Reports for banking subsidiaries within its organization. Wells Fargo’s lead bank, Wells Fargo Bank, N.A. is a member of The Clearing House Association, L.L.C., which is also forwarding comments on the Proposal to the Agencies on behalf of its members.

Reduction of Regulatory Burden

Wells Fargo has been a strong advocate in support of the Agencies’ efforts to reduce the amount of regulatory burden, including the significant amount of reporting burden imposed by the Agencies. Wells Fargo has participated in forums organized by the Agencies to assess and evaluate regulatory burden as promulgated by the Economic Growth and Regulatory Paperwork Reduction Act (“EGRPRA”). Wells Fargo appreciates the challenges of the Agencies to determine the appropriate amount of information to gather for supervisory and other oversight purposes on the quarterly Call Reports. However the Agencies’ estimate of 43.8 hours significantly underestimates the necessary efforts to compile, review and complete the Call Report for a large banking organization. Wells Fargo strongly believes that the additional information requested by the Agencies in recent years, and further information to be added in accordance with the Proposal, adds to this burden and highlights the fact that a “one size fits all” approach to collection of data on the Call Report no longer makes sense in the current regulatory environment.

We strongly encourage the Agencies to reassess all supplemental schedule information and make an evaluation as to when such supplemental and memoranda data should be collected to fulfill supervisory and other responsibilities, based on the relative risk or significance associated with the data elements, rather than imposing mandatory collection of all supplemental information. For example, in the current Proposal, it may not be meaningful to a given institution to require supplemental repricing information on Federal Home Loan Bank advances if such advances are not significant to the liquidity or funding sources of the institution. The risks and risk management processes deployed by financial institutions can vary significantly between a community banking organization and a large bank. The information pertinent to a community bank may not be significant to a large bank and vice versa. By implementing minimum reporting thresholds for certain information, the Agencies will still collect relevant information to fulfill their objectives while reducing certain of the regulatory burdens otherwise imposed on all reporting institutions.

Specific comments on the Proposal are set forth below.

Construction, Land Development and Other Land Loans

The Agencies have proposed to split out separate items for “1-4 family residential construction, land development, and other land loans” from “Other construction, land development and other land loans” on Schedule RC-C, part 1, item 1.a; the past due and nonaccrual schedule (Schedule

RC-N, item 1.a); the charge-offs and recoveries schedule (RI-B, part I, item 1.a); and commitments to fund loans (Schedule RC-L, item 1.c.(1)). It appears the Agencies have been persuaded by the National Association of Home Builders (“NAHB”) that this information would be beneficial to monitor the construction lending activities of banks. It is disconcerting that a trade association from another industry has influenced federal banking agencies to mandate the collection of data to satisfy that association’s desire for the information and no less have the collection of this information at no cost to that association. The proposal quotes the NAHB analysis of Thrift Financial Report (“TFR”) data indicating that residential construction loans “perform much better than most other real estate loans”, yet goes on to argue that lack of this detail in the Call Report “impedes the Agencies” ability to accurately evaluate the level of risk associated with such activities. We respectfully question the logic in how collecting data on loans that perform better than most other real estate loans would improve the ability of the Agencies to evaluate risk.

Additionally, this level of detail is not readily available and would require system programming changes. A minimum of six months’ or more lead time would be required to implement the programming changes needed to provide this data. The costs associated with providing this data would be attributed to regulatory burden as present SEC disclosure requirements related to loans outstanding, past due and nonaccrual loans and charge-offs and recoveries and commitments are not made at this level of detail.

Loans Secured By Nonfarm Nonresidential Properties

The Agencies have proposed to split out separate items for loans “Secured by nonfarm nonresidential properties” into separate categories for owner-occupied and other nonfarm nonresidential properties on Schedule RC-C, part 1, item 1.e; the past due and nonaccrual schedule (Schedule RC-N, item 1.e); and the charge-offs and recoveries schedule (RI-B, part I, item 1.e) because these two types of loans present different risk profiles. If the Agencies believe that it is necessary to identify the concentrations of these loans, we would recommend a more practical alternative would involve that the information be collected in a memorandum item on Schedule RC-C rather than in the breakout of the loans. We also suggest that only the loan balances of the owner-occupied properties be collected and that no information be collected for nonaccruals, past dues and charge-offs/recoveries. If the concentration of these loans is high at an institution, the Agencies could collect further information when they conduct examinations rather than require all banks to provide this information each quarter.

It is not current practice for most banks, including Wells Fargo, to use the owner-occupied designation in reporting. Coding changes to obtain this information would require a minimum lead time of six months from the date the final reporting revisions are published. It will be especially difficult to separate cash recovery amounts into these categories since at the time of the charge-off (2005 and prior years), the loans were not flagged according to these categories.

Officer Declaration and Director Attestation Requirements and Signatures

Under current requirements, the Call Report must be signed by an authorized officer of the reporting financial institution along with three directors. The officer declaration and director

attestation address the correctness of the information reported in the Call Report. The Proposal would change the signature requirements to include declarations by each of the CEO and CFO as well as directors on the audit committee.

The need for additional signatures seems to add little value to ensuring that the Call Reports submitted by banks are correct and that adequate internal controls are in place over regulatory reports. The roll-out of the new CDR system, highlighted throughout the Proposal, should provide the Agencies additional comfort that the reports have been subject to automated edit checks prior to acceptance in the system. In fact, banks, including Wells Fargo, already submit detailed reports regarding controls over financial reporting to comply with regulatory requirements set forth under FDICIA. Further, those financial services organizations such as Wells Fargo, that are publicly held are also required to meet the extensive requirements set forth under the Sarbanes-Oxley Act of 2002. In view of the requirements already in place, it seems burdensome and administratively unnecessary to require more, rather than fewer, signatures when the spirit of the statutory requirements has been more than satisfied in fulfilling the requirements set forth in FDICIA and under the Sarbanes-Oxley Act of 2002. In fact public companies are not required to obtain director signatures in order to file quarterly reports with the SEC; public companies review the filings with directors prior to submission. The Federal Reserve System requires the signature of one person who is a senior official and director of the bank holding company or the chairman of the board which seems more than sufficient to comply with statutory requirements. If the Agencies believe that the additional signatures are necessary to provide more assurances over the correctness of the report, Wells Fargo requests that banks that are part of a consolidated publicly held organization be relieved of this burden. The Agencies should recognize that organizations with strong corporate governance processes in place are already fulfilling oversight requirements in connection with the filing of regulatory reports. If there are banks in the system with weak corporate governance processes, the addition of more signatures on the cover page of the Call Report will not solve the deeper issue.

Effective Date

If the Agencies determine to proceed with the proposed revisions to the Call Reports, Wells Fargo urges the Board to delay the implementation date of the proposal for Construction, land development, and other land loans; the proposal for Non-farm, nonresidential loans; and the proposal for adding the new Schedule RC-P for the collection of closed-end 1-4 family residential mortgage banking activities until March 31, 2007. Certain of the proposed data collections such as charge-offs and recoveries would be required to be reported on a year-to-date basis. This would require programming for these proposed changes to be completed by December 31, 2005 to begin tracking of this data throughout 2006. As noted above, these proposals will result in significant programming changes which require a minimum of six months' or more lead time following finalization of the Proposal. With the comment period ending October 24, 2005, it seems doubtful that the final rule would be published before the end of December 2005.

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We appreciate the opportunity to comment on the issues contained in the Agencies' proposal. If you have any questions, please contact me at (415) 222-3119.

Sincerely,

/s/ Richard D. Levy

Richard D. Levy
Senior Vice President & Controller

CC: Ms. Donna Fisher, American Bankers Association
Ms. Gail Haas, The Clearing House Association, L.L.C.